

PUBLIC DISCLOSURE

July 19, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

RANDOLPH SAVINGS BANK

90270

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**Division of Banks
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**Federal Deposit Insurance Corporation
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NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Federal Deposit Insurance Corporation ("FDIC") and the Massachusetts Division of Banks ("Division") to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the credit needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Randolph Savings Bank (or the "Bank")** prepared by the FDIC and the Division, the institution's supervisory agencies, as of **July 19, 2011**. The agencies evaluate performance in assessment area(s), as they are delineated by the institution, rather than individual branches. The assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The FDIC and Division rate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and Part 345 of the FDIC's Rules and Regulations.

INSTITUTION'S CRA RATING:

Lending Test is rated

Community Development Test is rated

Satisfactory

Satisfactory

Satisfactory

An institution in this group has an adequate record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Intermediate Small Bank CRA procedures were utilized for the evaluation. The assigned rating is based on the results of two performance tests: the Lending Test and the Community Development Test. The Bank's performance under each of these two tests is summarized below:

Lending Test: "Satisfactory"

- The Bank's loan-to-deposit ratio is considered reasonable considering the Bank's size, financial condition, and the credit needs of its assessment areas.
- A majority of the Bank's loans were originated within the Bank's assessment areas.
- The Bank's distribution of loans to individuals of different income levels (including low- and moderate-income individuals) is excellent given the demographics of the Bank's assessment areas.
- The Bank's geographic distribution performance is considered poor.
- There have been no complaints regarding the Bank's CRA performance. As a result, this criterion is not considered as part of the evaluation.

Community Development Test: "Satisfactory"

- The Bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

SCOPE OF EXAMINATION

This evaluation was conducted jointly by the Division and the FDIC. Intermediate Small Bank CRA Evaluation Procedures were used to assess the Bank's CRA performance. These procedures utilize two performance tests: the Lending Test and the Community Development Test. The data and applicable timeframes for the Lending Test and the Community Development Test are discussed below.

Through a review of the Bank's loan portfolio composition and discussions with management, it was noted that the Bank's primary lending focus is residential lending. Commercial lending was not included in the analysis. While commercial real estate and commercial and industrial loans (small business loans) make up a significant percentage of the Bank's loan portfolio, the actual number of loans originated or refinanced during the evaluation period is nominal. Therefore, small business loans were not included within the analysis for this evaluation period. Consumer lending was also excluded from this analysis since it also accounts for only a small portion of the Bank's total lending activity, and the Bank does not collect data regarding such lending. In addition, the Bank did not extend any small farm loans; as such, they are not analyzed or included in this evaluation.

The Lending Test focused on home mortgage lending. Home mortgage data analyzed included full-year lending data from January 1, 2009, through December 31, 2010. Information concerning the home mortgage lending was derived from the Loan Application Registers ("LARs") maintained by the Bank pursuant to the Home Mortgage Disclosure Act ("HMDA"). The LARs contain data about home purchase and home improvement loans, including refinancings, of one- to four-family and multifamily (five or more units) properties.

Home mortgage lending for 2009 and 2010 is presented in the Geographic Distribution and Lending to Borrower's of Different Incomes tables. The Bank's lending performance in 2009 is the focus of the review as this is the most recent year for which aggregate HMDA lending data is available (aggregate lending data). The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders that originated loans in the Bank's assessment area.

The Community Development Test included community development loans, investments, and services for the period of July 17, 2007, through July 19, 2011. Community development grants and donations for the same time period were also included. Qualified equity investments currently held by the Bank were also included regardless of investment date. The investments were valued at the June 30, 2011, book value.

Randolph Savings Bank is considered an interstate bank since it maintains banking offices in its home state of Massachusetts and in Rhode Island. The Bank has defined separate assessment areas for its Massachusetts and Rhode Island operations due to the large geographic distance between branches in Massachusetts and Rhode Island. This CRA Performance Evaluation evaluates and rates the Bank's CRA performance for these two assessment areas combined and separately. A summary of the Bank's performance in each state in which it maintains branch offices is provided following the *Conclusions with Respect to Performance Tests*. The individual state ratings appear in table format in Appendix C.

The Bank's assessment areas were expanded during the evaluation period. Through discussions with management and an analysis of the Bank's lending data, it was determined that the expanded assessment area would be used to analyze the Bank's CRA performance for the evaluation period.

PERFORMANCE CONTEXT

Description of Institution

Randolph Savings Bank is a Massachusetts state-chartered, savings bank established in 1851. The Bank is a wholly-owned subsidiary of Randolph Bancorp, a single bank holding company established in 2002. Including the main office located at 129 North Main Street in Randolph, Massachusetts, the Bank operates seven branch offices, five in Massachusetts and two in Rhode Island. The Bank's corporate headquarters and lending center is located at 10 Cabot Place in Stoughton. The Bank's main office and branches are all located in the Boston–Worcester-Manchester, MA-RI-NH Combined Statistical Area (CSA).

As of March 31, 2011, Randolph Savings Bank has total assets of \$377.8 million consisting principally of loans and securities. Total assets have decreased since the most recent CRA evaluation dated July 17, 2007, from \$382.9 million to the current level. Loans total \$194.2 million as of March 31, 2011, and account for 51.4 percent of total assets. Refer to Table 1 for information regarding the composition of the loan portfolio.

Table 1		
Loan Portfolio as of March 31, 2011		
Loan Type	Dollar Amount \$(000's)	Percent of Total Loans
Construction and land development	5,250	2.6
Commercial real estate	78,362	40.4
Multifamily residential real estate	2,244	1.2
1-4 family residential	104,275	53.7
Farmland	0	0
Farm loans	0	0
Commercial and industrial loans	3,195	1.7
Loans to individuals	832	0.4
Other loans and leases	0	0
<i>Total Loans</i>	194,158	100.0

Source: Consolidated Report of Condition and Income as of March 31, 2011

As the data in Table 1 shows, the Bank's loan portfolio is nearly equally split between commercial loans and residential real estate loans. Residential real estate loans, including revolving one-to-four family loans, one-to-four family residential loans, and multi-family residential loans, equals 54.9 percent of the loan portfolio. Commercial loans, including commercial real estate and commercial and industrial loans, equals 42.1 percent of the loan portfolio. Other miscellaneous loans make up the remainder of the loan portfolio.

The Division and FDIC assigned a CRA rating of "Satisfactory" at the last joint CRA evaluation dated July 17, 2007. There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment areas. Based upon its asset size, product offerings, and branch network, the Bank retains the ability to meet local credit needs.

Description of Assessment Areas

The CRA requires financial institutions to delineate one or more assessment area(s) within which its performance will be evaluated. The Bank's assessment areas meet the technical requirements of the regulation.

Randolph Savings Bank has defined two assessment areas: The Massachusetts Assessment Area and the Rhode Island Assessment Area. The Massachusetts Assessment Area is located in Massachusetts and is comprised of ten contiguous municipalities: Avon, Braintree, Canton, Holbrook, Milton, Quincy, Randolph, Sharon, Stoughton, and Weymouth. This assessment area is located approximately ten miles south of the City of Boston and is situated entirely within the Boston-Quincy MA, Metropolitan District (MD). The Rhode Island Assessment Area is located in central Rhode Island and is comprised of thirteen contiguous municipalities. Coventry, Cranston, East Greenwich, Exeter, Jamestown, Middletown, Newport, North Kingstown, Portsmouth, Providence, Warwick, West Greenwich, and West Warwick. The Rhode Island Assessment Area was established in 2005 and is located approximately 40 miles south of the Massachusetts Assessment Area in the Providence-New Bedford-Fall River, RI-MA MSA. During the evaluation period, the Bank expanded its assessment areas. The Massachusetts Assessment Area went from 7 to 10 municipalities in Massachusetts and the Rhode Island Assessment Area went from 6 to 13 municipalities in Rhode Island. The additional towns and cities added to the assessment areas are accounted for within this evaluation.

Refer to Table 2 for pertinent demographic information about the two combined assessment areas.

Table 2 Demographic Information for Combined Assessment Areas					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	177	11.3	10.2	51.9	26.6
Population by Geography	832,345	9.7	10.9	51.9	27.5
Owner-Occupied Housing by Geography	198,159	3.6	6.8	56.7	32.9
Business by Geography	53,693	7.2	10.1	51.4	31.4
Family Distribution by Income Level	207,933	20.2	17.2	22.1	40.5
Distribution of Low- and Moderate- Income Families throughout AA Geographies	77,697	17.4	16.0	51.6	15.0
Median Family Income (MFI)		56,220	Median Housing Value		157,010
Households Below Poverty Level		11%	Unemployment Rate		2.5%

Source: 2000 U.S. Census data

As the data in Table 2 shows, the assessment areas are comprised of 177 census tracts, the majority of which have been classified as middle-income. Just over one quarter of the census tracts are designated as upper-income.

Table 2 also shows that the distribution of the assessment areas' population, owner-occupied housing, and business establishments is roughly equivalent to the census tract distribution. Specifically, the highest proportions of these demographic measures are in middle-income census tracts followed next by the upper-income areas. Overall, the assessment areas are fairly affluent with approximately 40.5 percent of the areas' families categorized as upper-income. Still, approximately 37.0 percent of the areas' families are categorized as low- and moderate-income, most of whom reside in the middle-income census tracts.

Randolph Savings Bank operates in financial services market areas that are competitive. The Bank competes for loan volume with commercial banks, savings banks, credit unions, and mortgage companies that operate in the areas. Among the more prominent mortgage lenders competing with the Randolph Savings Bank are Bank of America, RBS Citizens, Wells Fargo Bank, and Sovereign Bank.

Massachusetts Assessment Area Economic Conditions

During the evaluation period, the country, as well as Massachusetts, experienced an economic downturn. The following information summarizes some of the economic conditions that affected Massachusetts. Table 3 references unemployment data for the municipalities that are in the Massachusetts Assessment Area.

Table 3			
Massachusetts Assessment Area Unemployment Rates			
Municipality	Annual Unemployment Rate		Unemployment Rate
	2007 (%)	2010 (%)	June 2011 (%)
Avon	5.1	9.4	8.8
Braintree	4.3	8.2	7.3
Canton	3.7	7.2	6.8
Holbrook	5.5	9.6	8.9
Milton	3.6	7.0	6.6
Quincy	4.3	8.5	7.6
Randolph	4.8	9.3	8.4
Sharon	3.5	6.2	5.9
Stoughton	4.3	8.3	7.1
Weymouth	4.5	9.0	7.6
State of MA	4.5	8.5	7.8

Source: MA Executive Office of Labor and Workforce Development

Unemployment rates, while not at pre-economic downturn levels, appear to be leveling off in 2011. Economists noted recent gains in financial activities, a key Massachusetts industry, and believe this will contribute to Massachusetts' recovery from the economic downturn. Economists also note that industry payrolls have grown consistently since late 2010, although the growth has not made up for the job losses experienced during the economic downturn.

Additionally, the economic downturn had a negative impact on housing sales and housing prices. According to the Massachusetts Association of Realtors, Massachusetts continues to experience delays in the recovery of the housing market. While there was a rebound in 2010, demand has dropped off in 2011. Housing values in the Massachusetts Assessment Area also decreased since the previous evaluation due to the economic downturn. According to the Warren Group, in 2007, the median sales price of single family homes and condominiums ranged from a low of \$298,950 in Avon to a high of \$445,000 in Milton. During 2010, the median price in Avon decreased to \$253,000, while in Milton the median price remained steady at \$445,000. Table 4 references median sales prices for the municipalities that are in the Massachusetts Assessment Area (MA AA).

Table 4			
Median Sales Prices for Massachusetts Assessment Area			
Median Sales Prices			
Municipality	2007 (\$)	2010 (\$)	Percent Change (%)
Avon	298,950	253,000	-15.4%
Braintree	344,000	315,000	-8.4%
Canton	374,900	348,500	-7.0%
Holbrook	285,750	220,000	-23.0%
Milton	445,000	445,000	0.0%
Quincy	323,000	307,500	-4.8%
Randolph	295,000	225,000	-23.7%
Sharon	435,000	370,000	-14.9%
Stoughton	309,000	251,000	-18.8%
Weymouth	300,000	265,000	-11.7%
Average for MA AA	341,060	300,000	-12.0%

Source: Warren Group

Rhode Island Assessment Area Economic Conditions

During the evaluation period, similar to Massachusetts and the rest of the country, Rhode Island experienced an economic downturn. The following information summarizes some of the economic conditions that affected Rhode Island. Table 5 references unemployment data for the municipalities that are in the Rhode Island Assessment Area.

Table 5			
Rhode Island Assessment Area Unemployment Rates			
Municipality	Annual Unemployment Rate		Unemployment Rate
	2007 (%)	2010 (%)	June 2011 (%)
Coventry	4.9	11.1	9.7
Cranston	5.4	11.9	10.5
East Greenwich	4.8	11.0	10.6
Exeter	4.7	10.8	7.6
Jamestown	3.7	9.5	6.9
Middletown	4.5	10.4	8.6
Newport	4.7	11.0	8.6
North Kingstown	4.2	9.6	8.4
Portsmouth	4.0	9.8	9.0
Providence	6.5	13.7	14.0
Warwick	5.0	11.1	9.2
West Greenwich	4.5	9.8	7.8
West Warwick	5.8	12.8	11.2
State of RI	5.3	11.6	10.3

Source: RI Department of Labor and Training

Economists note that Rhode Island's economic recovery continues at a restrained pace. The state is forecasted to trail the U.S. in employment and output growth. Additionally, the economic downturn had a negative impact on housing sales and housing prices. Housing values in the Rhode Island Assessment Area have decreased rapidly since the previous evaluation due to the economic downturn, of which Rhode Island has been especially impacted compared to other New England states. According to the Warren Group, in 2007, the median sales price of single family homes and condominiums ranged from a low of \$227,000 in Providence to a high of \$545,000 in Jamestown. During 2010, the median price in Providence decreased to \$108,000 and Jamestown's median price declined to \$420,000. Table 6 references the median sales prices for the municipalities that are in the Rhode Island Assessment Area (RI AA).

Table 6 Median Sales Prices for Rhode Island Assessment Area			
Median Sales Price			
Municipality	2007 (\$)	2010 (\$)	Percent Change (%)
Coventry	250,000	177,900	-28.8%
Cranston	245,000	185,000	-24.5%
East Greenwich	475,000	385,000	-18.9%
Exeter	271,500	309,900	14.1%
Jamestown	545,000	420,000	-22.9%
Middletown	367,500	310,000	-15.6%
Newport	360,000	329,750	-8.4%
North Kingstown	338,000	290,000	-14.2%
Portsmouth	365,000	290,000	-20.5%
Providence	227,000	108,000	-52.4%
Warwick	230,000	167,175	-27.3%
West Greenwich	341,450	195,000	-42.9%
West Warwick	250,000	177,900	-28.8%
Average for RI AA	326,919	255,671	-21.8%

Source: Warren Group

Community Contact

A community contact was conducted with a local organization that provides affordable housing to qualified low- and moderate-income borrowers. The organization sponsors homeownership classes as well. Overall, the contact was pleased with the responsiveness of the local banks to credit needs, but did note they would like to see more affordable housing units both for sale and rent, as well as financial literacy classes offered to low- and moderate-income borrowers.

Based on the area's demographics and the insights gained through discussions with Bank management and the community contacts, the assessment area has no one primary credit need. Residents need a variety of retail loan products to meet personal needs and an array of home financing programs for the purchase, construction, improvement, or refinance of a residence. Affordable housing also appears to be a need.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test evaluates the Bank's activities under five performance criteria: (1) Loan-to-Deposit Analysis; (2) Comparison of Credit Extended Inside and Outside the Assessment Areas; (3) Geographic Distribution of Credit Inside the Assessment Areas; (4) Distribution of Credit Inside the Assessment Areas by Borrower Income; and (5) Response to CRA-related Complaints.

LOAN-TO-DEPOSIT ("LTD") RATIO

The Bank's loan-to-deposit ratio is considered reasonable given its size, operating structure, financial condition, and assessment areas credit needs.

Randolph Savings Bank's net loan-to-deposit ratio, as of March 31, 2011, was 58.7 percent. Since the prior CRA evaluation, the average net loan-to-deposit ratio was 68.6 percent. Since September 30, 2007, Bank assets and deposits have increased by 2.2 percent, and 1.3 percent respectively; however, net loans have decreased 19.6 percent. This decrease is partially attributed to the selling more loans to the secondary market versus retaining loans in portfolio. This secondary market activity is not reflected in the Bank's loan-to-deposit ratio.

For comparison purposes, the Bank's average net LTD ratio was compared against the average net LTD ratios of similarly situated institutions (institutions with similar asset size and loan portfolio composition) in Table 7.

Table 7 Average Net Loan-to-Deposit Comparison		
Bank Name	Total Assets \$('000s) As of March 31, 2011	Average Net LTD Ratio (%)
Mansfield Cooperative Bank	337,637	79.4
<i>Randolph Savings Bank</i>	<i>377,873</i>	<i>68.6</i>
Norwood Co-operative Bank	389,158	98.6
Mechanics Cooperative Bank	375,798	71.7

Source: Reports of Condition and Income

As displayed in Table 7 above, the Bank's average net LTD ratio of 68.8 percent was lower than the three similarly situated institutions. Not reflected in the Bank's LTD ratio is the volume of loans it has sold on the secondary market. Selling loans not only helps management to control interest rate risk by selling some of its long-term, fixed-rate loans, but one that allows the Bank to "recycle" its funds and originate loans with the proceeds from the sale.

LENDING IN ASSESSMENT AREAS

This performance criterion determines what percentage of the Bank's lending occurs within the assessment areas and evaluates its appropriateness. Based on a review of the home mortgage loan data, a majority of the Bank's lending activity occurs in the assessment areas. Refer to Table 8 for the distribution of loans inside and outside the assessment areas.

Table 8 Distribution of Loans Inside and Outside of the Combined Assessment Areas										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage (Massachusetts AA)										
2009	169	64.3	94	35.7	263	30,599	59.3	21,006	40.7	51,605
2010	181	59.9	121	40.1	302	31,681	54.3	26,715	45.7	58,396
Subtotal MA AA	350	61.9	215	38.1	565	62,280	56.6	47,721	43.4	110,001
Home Mortgage (Rhode Island AA)										
2009	58	70.7	24	29.3	82	11,264	73.9	3,981	26.1	15,245
2010	125	69.4	55	30.6	180	26,898	68.5	12,351	31.5	39,249
Subtotal RI AA	183	69.8	79	30.2	262	38,162	70.0	16,332	30.0	54,494
Total	533	64.4	294	35.6	827	100,442	61.1	64,053	38.9	164,495

Source: 2009 and 2010 Bank HMDA LARs

Table 8 shows that the Bank originated 533 home loans totaling \$164.5 million in the assessment areas during the evaluation period. This represents 64.4 percent of the total number of home mortgage loans originated by the Bank and 61.1 percent by dollar volume. The percentage of home mortgage loans in the assessment areas by number and dollar volume increased in 2010 compared to 2009.

LENDING TO BORROWERS OF DIFFERENT INCOMES

The distribution of loans by borrower income was reviewed to determine the extent to which the Bank is addressing the credit needs of the assessment areas' residents. The Bank achieved an excellent penetration of loans among borrowers of different income levels.

Table 9 reflects the percentage of the Bank's 2009 and 2010 home mortgage loans to low-, moderate-, middle-, and upper-income borrowers in the combined assessment areas compared with 2009 aggregate lending data and demographic data.

Table 9 Distribution of Loans by Borrower Income Level - Combined Assessment Areas						
Borrower Income Level	% of Total Families	2009 Aggregate Lending Data	2009 Bank Loans		2010 Bank Loans	
		% of #	#	%	#	%
Low	20.2	6.4	26	11.5	38	12.4
Moderate	17.2	20.2	56	24.7	70	22.9
Middle	22.1	25.9	65	28.6	71	23.2
Upper	40.5	41.5	79	34.8	108	35.3
\$0/NA	--	6.0	1	0.4	19	6.2
Total	100.0	100.0	227	100.0	306	100.0

Source: 2000 U.S. Census, 2009 and 2010 Bank HMDA LARs, and 2009 HMDA Aggregate Data

In 2009, 11.5 percent of the Bank's home mortgage loans were made to low-income borrowers. This level of lending exceeds the aggregate lending level to such borrowers (6.4 percent). Additionally, the Bank's home mortgage lending to moderate-income borrowers (24.7 percent) exceeds both the percentage of moderate-income families within the assessment areas (17.2 percent) and the aggregate lending level (20.2 percent). During 2010, the Bank's low-income borrower lending increased to 12.4 percent and moderate-income borrower lending decreased to 22.9 percent.

GEOGRAPHIC DISTRIBUTION

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment areas' census tracts. The geographic distribution of loans reflects poor dispersion throughout the assessment areas.

Table 10 reflects the percentage of the Bank's 2009 and 2010 home mortgage loans in low-, moderate-, middle-, and upper-income census tracts in the combined assessment areas compared with 2009 aggregate lending data and demographic data.

Table 10						
Distribution of Loans by Census Tract Income Level - Combined Assessment Areas						
Census Tract Income Level	% of Total Owner Occupied Housing Units	2009 Aggregate Lending Data	2009 Bank Data		2010 Bank Data	
		% of #	#	%	#	%
Low	3.6	2.6	1	0.4	11	3.6
Moderate	6.8	4.7	0	0.0	4	1.3
Middle	56.7	51.6	151	66.5	189	61.8
Upper	32.9	41.1	75	33.1	102	33.3
Total	100.0	100.0	227	100.0	306	100.0

Source: 2000 U.S. Census, 2009 and 2010 Bank HMDA LARs, and 2009 HMDA Aggregate Data

In 2009, the Bank made 0.4 percent of its loans in the low-income census tracts and no loans in the moderate-income census tracts. In 2010, the Bank's performance improved to 3.6 percent of its loans in the low-income census tracts and 1.3 percent of its loans in the moderate-income census tracts.

The Bank attributed its nominal low- and moderate-income lending performance to two main factors. First, the Bank is relatively new to the expanded RI market where many of the low- and moderate-income census tracts are located. Prior to the Bank expanding its assessment areas, Randolph Savings Bank had no low-income census tracts and four moderate-income census tracts. With the expanded assessment areas, the Bank now has 20 low-income and 18 moderate-income census tracts. Second, there is a low owner-occupancy housing unit rate within the low- and moderate-income census tracts. Low- and moderate-income census tracts make up approximately 21.5 percent of the areas' census tracts, but only represent 10.4 percent of the areas' owner-occupied housing units.

RESPONSE TO CRA RELATED COMPLAINTS

The Bank has not received any CRA-related complaints during the evaluation period. As a result, this performance criterion is not applicable.

COMMUNITY DEVELOPMENT TEST

COMMUNITY DEVELOPMENT LOANS

For the purpose of this evaluation, a community development loan is defined as a loan that: (1) has community development as its primary purpose, (2) has not already been reported by the Bank for consideration under small business or home mortgage lending (unless it is a multifamily dwelling loan), and (3) benefits the Bank's assessment areas or a broader statewide or regional area that includes the Bank's assessment areas.

The Bank's level of community development loans is adequate. During the evaluation period, the Bank extended three qualified community development loans totaling \$4,565,160. Community development loans extended during the evaluation period represent 0.4 percent of net loans as of March 31, 2011. This level of lending represents an increase from the previous CRA evaluation in which the Bank originated one community development loan totaling \$25,000.

Summarized in Table 11 are the qualified community development loans by community development category and year.

Table 11										
Qualified Community Development Loans										
Community Development Category*	2007**		2008		2009		2010		2011***	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing for Low- and Moderate-Income Individuals	0	-	0	-	0	-	0	-	0	-
Community Services Targeted to Low- and Moderate-Income Individuals	0	-	0	-	0	-	0	-	0	-
Revitalize or Stabilize Low- and Moderate-Income Geographies	0	-	0	-	0	-	0	-	0	-
Activities that Promote Economic Development	0	-	0	-	3	\$4,565,160	0	-	0	-
Total	0	-	0	-	3	\$4,565,160	0	-	0	-

Source: Internal Bank Records; *As defined by the CRA; **Extended since the date of the previous CRA evaluation; ***Extended through the date of the current CRA evaluation.

All three of the Bank's community development loans were extended under the SBA 504 loan program which is designed to encourage economic development within a community by providing small businesses with long-term, fixed-rate financing to acquire fixed assets (such as real estate or equipment) for expansion or modernization.

COMMUNITY DEVELOPMENT INVESTMENTS

A qualified investment for purposes of this CRA evaluation is a lawful investment, deposit, donation, or grant that has community development as its primary purpose. The evaluation considered (1) investment and grant activity, (2) the responsiveness to credit and community development needs, and (3) community development initiatives.

The Bank's qualified investments demonstrate an adequate responsiveness to the assessment areas' credit and economic development needs through the provision of equity investments, grants, and donations. Total qualified investments for the evaluation period amounted to \$732,730. This figure includes the current book value of an existing qualified investment, as well as grants and donations made to qualified organizations during the evaluation.

Investments

There have been no new investments since the last evaluation. In 2006, the Bank invested in Access Capital Strategies Community Investment Fund, Inc. (ACSCIF). The ACSCIF is a SEC-registered fund structured as a business development corporation. The primary purpose of the fund is to provide a secondary market and financing vehicle for community development loans. The fund invests in private placement debt securities that support affordable housing, education, small business loan securitizations, and other job creating investments within a target region specified by the investing institution. As of June 30, 2011, the current book value is \$587,777. This represents 0.2 percent of total assets and 0.4 percent of total investments as of March 31, 2011.

Grants and Donations

Total qualified investments for this evaluation period also included grants and donations by the Bank. Qualified grants and donations supported initiatives and organizations that seek to provide affordable housing, health care services, family counseling, food pantries, and daycare services to the area's low- and moderate-income individuals.

The Bank's donations are made through the Bank and the Peter T. Pastore Jr. Charitable Foundation (the "Foundation"). In 2007, the Bank established the Foundation in honor of former Randolph Savings Bank Executive Vice President Peter T. Pastore, Jr. The mission of the Foundation is to provide financial support to not-for-profit, charitable organizations to enhance the quality of life in communities serviced by Randolph Savings Bank.

The total amount of qualified CRA grants and donations made by the Bank and the Foundation during the evaluation period is \$144,953, representing 62.2 percent of the Bank's and the Foundation's total contribution of \$233,024. Table 12 illustrates the qualified community development grants and donations provided by the Bank during the evaluation period by community development purpose and year.

Table 12						
Qualified Community Development Grants and Donations - Combined Assessment Areas						
	2007**	2008	2009	2010	2011	Total
Randolph Savings Bank	\$11,555	\$17,082	\$24,113	\$30,083	\$6,620	\$89,453
The Foundation	\$10,000	\$12,000	\$12,000	\$15,000	\$6,500	\$55,500
<i>Total Donations</i>	<i>\$21,555</i>	<i>\$29,082</i>	<i>\$36,113</i>	<i>\$45,083</i>	<i>\$13,120</i>	<i>\$144,953</i>
Pre-tax Net Operating Income (NOI)	\$776,000	-\$1,309,000	-\$1,674,000	\$2,018,000	\$539,000	\$350,000
<i>Donations/Pre-Tax NOI</i>	<i>2.8%</i>	<i>-2.2%</i>	<i>-2.2%</i>	<i>2.2%</i>	<i>2.4%</i>	<i>41.4%</i>
Number of Organizations Benefiting from Donations	17	25	45	41	15	143

Source: Internal Bank Records; *As defined by the CRA; **Extended since the date of the previous CRA evaluation; ***Extended through the date of the current CRA evaluation.

In 2008 and 2009, the Bank had an unrealized loss on the Bank's available for sale securities, which explains the higher percentage in the total column above, and also the negative percentages in 2008 and 2009.

The \$144,953 in qualified grants and donations provided by the Bank and the Foundation represents an increase over the prior evaluation period, when the Bank extended grants and donations totaling \$40,587. Table 13 details the Bank's and the Foundation's qualified community development grants and donations by community development category and year within the combined assessment areas.

Table 13 Qualified Community Development Grants and Donations Combined Assessment Areas												
Community Development Category*	2007**		2008		2009		2010		2011***		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing for Low- and Moderate-Income Individuals	2	1,500	1	225	1	100	2	10,500	0	0	6	12,325
Community Services Targeted to Low- and Moderate-Income Individuals	13	19,600	23	28,357	44	36,013	37	33,483	14	10,620	131	128,073
Revitalize or Stabilize Low- and Moderate-Income Geographies	2	455	1	500	0	-	2	1,100	1	2,500	6	4,555
Activities that Promote Economic Development	0	-	0	-	0	19,600	-	0	-	0	-	0
Total	17	21,555	25	29,082	45	36,113	41	45,083	15	13,120	143	144,953

Source: Internal Bank Records; *As defined by the CRA; **Extended since the date of the previous CRA evaluation; ***Extended through the date of the current CRA evaluation.

The following are a few examples of the organizations benefiting from grants and donations extended by the Bank and Foundation during the evaluation period.

Interfaith Social Services – The mission of this organization is to strengthen family life and offer assistance to anyone in need. Founded in 1947, this organization provides professional counseling, foster care and financial assistance to children, food pantries, assistance and homeless prevention to families and individuals in emergency situations, a thrift shop that provides clothing and household items as well as professional attire for low-income job seekers. The majority of the clients are low- and moderate-income.

Woman's Place Crisis Center (WCC) – WCC is committed to working towards the elimination of violence against women and children through direct services, education, and social activism. The majority of the clients are low- and moderate-income.

RISE – This organization recognizes the critical role of poverty and the effect it has on one's personal mental health. RISE offers a variety of support services that include: independent living skills, affordable housing resources, family homelessness prevention and assistance services, emergency services, transitional assistance and crisis assistance. The majority of the clients are low- and moderate-income.

Stars: Excellence in Education, Enrichment, and Family Support - Stars provides comprehensive early education and youth programs that enhance the development of children from economically and culturally diverse families through collaboration with parents, schools and communities. The majority of the clients are low- and moderate-income.

COMMUNITY DEVELOPMENT SERVICES

A community development service has community development as its primary purpose and is generally related to the provision of financial services. The Bank provided an adequate level of community development services and demonstrated a satisfactory responsiveness to the areas' community development needs.

Bank Employee Involvement

During the evaluation period, officers and employees of the Bank were involved in a number of organizations in various capacities. Bank officers provide financial expertise to various organizations that addressed critical needs for the low- and moderate-income families in the assessment areas. The following are some examples of the Bank's involvement.

South Shore Habitat for Humanity – This organization is a nonprofit organization dedicated to building homes for families in need. A Retail Lending Officer is on the Board of Directors.

Caritas, Inc of Rhode Island – Caritas, Inc. treats substance abusers and their families through residential and outpatient programs. They provide individualized treatment and services to clients and their families with sensitivity toward cultural diversity and financial need. The majority of the clients are low- and moderate-income client. The Senior Vice President of Retail Banking is a member of the Board of Directors.

The Ocean State Business Development Authority (OSBDA) - OSBDA assists Rhode Island businesses in securing financing that will help them become more competitive in the marketplace. OSBDA issues debentures sold in the private bond market to fund the 504 loan program. The bonds are fully guaranteed by the U.S. Small Business Administration. The Commercial Lending Officer is on the Board of Directors.

Educational Seminars

During the evaluation period, the Bank sponsored 42 first-time homebuyer's seminars. Topics included: the housing search process, credit reports, working with a realtor, home inspections, credit reports, mortgage programs, the pre-approval process and obtaining a mortgage.

Since 2008, the Bank annually teaches financial literacy classes at the Randolph Community Partnership. The classes are based on the FDIC's Money Smart program with topics ranging from different types of bank accounts, aspects of developing good credit, the importance of protecting your identity, and benefits and costs of credit, debit, and ATM cards.

In 2009, the Bank participated in the Credit for Life Fair at Massasoit Community College. The Fair teaches students the basics of housing, employment, transportation, insurance and credit that they will need to apply in the future.

In 2009 and 2010, the Bank participated in the Credit Millionaire Game at Randolph High School. The activity taught students the importance of credit and how to build and maintain good credit.

Other Services

The Bank participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking in Massachusetts program. This statewide program is designed to offer low cost checking and savings accounts to low- and moderate-income individuals.

The Bank participates in the Interest on Lawyers' Trust Accounts (IOLTA). Interest earned on the account is utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients. The Bank contributed \$22,869 in interest for 2007; \$7,050 for 2008; \$6,381 for 2009; \$6,282 for 2010; and \$1,911 as of June 30, 2011, for a total of \$44,493.

Branch (including other facilities if applicable) and Services Distribution

Branch Distribution

The Bank's main office is located at 129 North Main Street in Randolph, a middle-income census tract. The Bank's corporate office and lending center is located in Stoughton. In addition to the main office, the Bank operates six full-service branches, five in Massachusetts and two in Rhode Island. The branches in Massachusetts are located in: Holbrook, Randolph (2), and Stoughton (2). The branches in Rhode Island are located in Coventry and Cranston. Table 14 below summarizes the distribution of the Bank's offices and ATMs by the census tract income level compared with the distribution of total census tracts in the assessment areas by income level and the distribution of the assessment areas population by census tract income level.

Table 14						
Distribution of Branches and ATMs						
Combined Assessment Areas						
Census Tract Income	% of Tracts	% of Population	Branches		ATMs	
			#	%	#	%
Low	11.3	9.7	0	0.0	0	0.0
Moderate	10.2	10.9	0	0.0	0	0.0
Middle	51.9	51.9	7	100.0	8	100.0
Upper	26.6	27.5	0	0.0	0	0.0
Total	100.0	100.0	7	100.0	8	100.0

Source: Internal Bank Records

As the data in Table 14 shows, all of the Bank's branch offices are located in middle-income census tracts. It should be noted that a majority of the low- and moderate-income census tracts were added to the Bank's assessment areas during the evaluation period.

In addition to having ATMs at each branch office and one at the Bank's lending center, ATMs are located at seven remote locations in Massachusetts. These ATMs are available for cash withdrawals only. They are located: Stoughton Town Spa, Bob's Food Mart, Stoughton Mobil, IKEA Furniture Store, Page's Foodmart all in Stoughton; Springdale Variety in Canton; and The Country Store in Foxboro.

Services Distribution

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Bank's compliance with fair lending regulations and other credit-related regulations was reviewed. A violation of the Real Estate Settlement Procedures Act and the implementing regulation, Regulation X, was identified. The effect of the violation on the assessment areas is considered to be limited; therefore, the Bank's CRA rating was not impacted.

STATE RATING - MASSACHUSETTS

CRA RATING FOR Massachusetts:
The Lending Test is rated:
The Community Development Test is rated:

Satisfactory
Satisfactory
Satisfactory

SCOPE OF EXAMINATION

A full-scope review of CRA activities in Massachusetts was conducted. The Lending Test focused on HMDA-reportable loans originated in 2009 and 2010. With respect to the Community Development Test, the data analyzed and considered is from the previous CRA evaluation dated July 17, 2007 through July 19, 2011.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MASSACHUSETTS

The Massachusetts Assessment Area is located in Massachusetts and is comprised of ten contiguous municipalities: Avon, Braintree, Canton, Holbrook, Milton, Quincy, Randolph, Sharon, Stoughton, and Weymouth. This assessment area is located approximately ten miles south of the City of Boston and is situated entirely within the Boston-Quincy MA, Metropolitan District (MD). The following table details the demographic profile of the Massachusetts Assessment Area.

Table 15					
Demographic Information for Massachusetts Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	60	1.7	3.3	66.7	28.3
Population by Geography	313,426	1.0	3.4	67.5	28.1
Owner-Occupied Housing by Geography	82,756	0.4	2.7	64.9	32.0
Family Distribution by Income Level	80,426	15.3	17.3	23.7	43.7
Distribution of Low- and Moderate-Income Families throughout AA Geographies	26,249	2.2	5.2	74.0	18.6
Median Family Income (MFI)		62,948	Median Housing Value		196,755
Households Below Poverty Level		6.0%	Unemployed		1.8%

Source: U.S. Census Data

As noted in Table 15, the Massachusetts Assessment Area consists of 60 census tracts: 1 low-, 2 moderate-, 40 middle-, and 17 upper-income census tracts. According to the U.S. Census, the total population of the Massachusetts Assessment Area is 313,426, containing 123,831 households, of which 6.0 percent are below the poverty level, compared to 9.8 percent statewide. The assessment area also includes 80,426 families and 126,903 housing units, of which 82,756 units (65.2 percent) are owner-occupied.

Please refer to the overall *Description of the Institution* and *Description of the Assessment Areas* for additional data regarding the institution and economic information specific to Massachusetts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

Lending Inside Assessment Area

The Bank originated a majority (61.9 percent) of loans within the Bank's Massachusetts Assessment Area. During the evaluation period, the Bank originated 565 home mortgage loans in Massachusetts, 350 of which were within the Massachusetts Assessment Area.

Table 16 Distribution of Loans Inside and Outside of the Massachusetts Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2009	169	64.3	94	35.7	263	30,599	59.3	21,006	40.7	51,605
2010	181	59.9	121	40.1	302	31,681	54.3	26,715	45.7	58,396
Total MA	350	61.9	215	38.1	565	62,280	56.6	47,721	43.4	110,001

Source: 2009 and 2010 Bank HMDA LARs

Lending to Borrowers of Different Incomes

The Bank's lending to borrowers of different incomes is considered excellent within the Massachusetts Assessment Area. Table 17 reflects the Bank's 2009 and 2010 lending to low-, moderate-, middle-, and upper-income borrowers compared with the aggregate lenders and demographics.

Table 17 Distribution of Loans by Borrower Income Level Massachusetts Assessment Area						
Borrower Income Level	% of Total Families	2009 Aggregate Lending Data	2009 Bank Data		2010 Bank Data	
		% of #	#	%	#	%
Low	15.3	5.4	22	13.0	26	14.4
Moderate	17.3	21.1	47	27.8	53	29.3
Middle	23.7	27.2	51	30.1	45	24.9
Upper	43.7	41.3	49	29.0	50	27.6
NA	--	5.0	0	0.0	7	3.8
Total	100.0	100.0	169	100.0	181	100.0

Source: 2000 U.S. Census, 2009 and 2010 HMDA LARs, 2009 HMDA Aggregate Data

In 2009, 13.0 percent of the Bank's Massachusetts Assessment Area loans were made to low-income borrowers. This level of lending greatly exceeds the aggregate lending level to such borrowers (at 5.4 percent) and is less than the percent of low-income families in the assessment area, at 15.3 percent. Additionally, the Bank's lending to moderate-income borrowers (at 27.8 percent) exceeds both the percentage of moderate-income families within the assessment area (at 17.3 percent) and the aggregate lending level (at 21.1 percent). During 2010, the Bank extended a larger percentage (14.4 percent) to low-income borrowers and to moderate-income borrowers (29.3 percent) than in 2010.

Geographic Distribution of Loans

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the Massachusetts Assessment Area census tracts. The geographic distribution of loans reflects poor dispersion in the Massachusetts Assessment Area. Table 18 reflects the percentage of the Bank's 2009 and 2010 home mortgage loans in low-, moderate-, middle-, and upper-income census tracts in the Massachusetts Assessment Area compared with 2009 aggregate lending data and demographic data.

Table 18 Distribution of Loans by Census Tract Income Level Massachusetts Assessment Area						
Census Tract Income Level	% of Total Owner Occupied Housing Units	2009 Aggregate Lending Data	2009 Bank Data		2010 Bank Data	
		% of #	#	%	#	%
Low	0.4	0.4	0	0.0	0	0.0
Moderate	2.7	2.1	0	0.0	1	0.6
Middle	64.9	58.9	125	74.0	131	72.4
Upper	32.0	38.6	44	26.0	49	27.0
Total	100.0	100.0	169	100.0	181	100.0

Source: 2000 U.S. Census, 2009 and 2010 HMDA LARs, 2009 HMDA Aggregate Data

The Bank did not originate any loans during 2009 in the low- and moderate-income census tracts. The Bank originated one moderate-income census tract loan and no low-income census tract loans in 2010. As stated previously, the Bank expanded its assessment area during the evaluation period. Previously, the Bank did not have any low- or moderate-income census tracts in Massachusetts. With the expansion, the Bank has one low- and two moderate-income census tracts.

COMMUNITY DEVELOPMENT TEST

The Bank's investment and community development activity in this portion of its assessment area is similar to its performance in the entire assessment area. The Bank's qualified community development loans, qualified investments and qualified community development services benefit organizations and projects throughout the assessment area in Massachusetts.

Community Development Loans

During the evaluation period, the bank extended three qualified community development loans totaling \$4,565,160 in the Massachusetts Assessment Area. Please refer to the Community Development Services section within this evaluation for further details regarding the three community development loans.

Community Development Investments

The Bank continues to hold an investment in Access Capital Strategies Community Investment Fund, Inc. (ACSCIF). As of June 30, 2011, the current book value is \$587,777.

During the evaluation period, the Bank and the Foundation contributed \$101,313 in qualified grants and donations within its Massachusetts Assessment Area. Refer to Table 19 for a listing of the grants and donations by community development category and year.

Table 19 Qualified Community Development Grants and Donations Massachusetts Assessment Area												
Community Development Category*	2007**		2008		2009		2010		2011***		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing for Low- and Moderate-Income Individuals	2	1,500	1	225	1	100	2	10,500	0	0	6	12,325
Community Services Targeted to Low- and Moderate-Income Individuals	10	9,600	17	21,207	31	24,478	23	22,483	7	7,120	88	84,888
Revitalize or Stabilize Low- and Moderate-Income Geographies	0	0	1	500	0	0	2	1,100	1	2,500	4	4,100
Activities that Promote Economic Development	0	-	0	-	0	19,600	-	0	-	0	-	0
Total	12	11,100	19	21,932	32	24,578	27	34,083	8	9,620	98	101,313

Source: Internal Bank Records; *As defined by the CRA; **Extended since the date of the previous CRA evaluation; ***Extended through the date of the current CRA evaluation.

The following are a few examples of the organizations that the Bank and the Foundation made qualified grants or donations to:

Interfaith Social Services – The mission of this organization is to strengthen family life and offer assistance to anyone in need. Founded in 1947, this organization provides professional counseling, foster care and financial assistance to children, food pantries, assistance and homeless prevention to families and individuals in emergency situations, a thrift shop that provides clothing and household items as well as professional attire for low-income job seekers. The majority of the clients are low- and moderate-income.

Woman's Place Crisis Center (WCC) – WCC is committed to working towards the elimination of violence against women and children through direct services, education, and social activism. The majority of the clients are low- and moderate-income.

Community Development Services

Bank Employee Involvement, Educational Seminars, and Other Services

During the evaluation period, officers and employees of the Bank were involved in a number of organizations within the Massachusetts Assessment Area. Bank officers provide financial expertise to various organizations that addressed critical needs for the low- and moderate-income families in the assessment area. The Bank also sponsored numerous educational seminars throughout the Massachusetts Assessment area including first-time homebuyer's seminars, financial literacy classes at the Randolph Community Partnership, the Credit for Life Fair at Massasoit Community College, and the Credit Millionaire Game at Randolph High School. The Bank also participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking in Massachusetts program and the Interest on Lawyers' Trust Accounts (IOLTA). The Bank contributed a total of \$44,493 in interest during the evaluation period.

Branch (including other facilities if applicable) and Services Distribution

Branch Distribution

The Bank's main office is located at 129 North Main Street in Randolph, a middle-income census tract. The Bank's corporate office and lending center is located in Stoughton. In addition to the main office, the Bank operates five full-service branches in Massachusetts. The branches in Massachusetts are located in: Holbrook, Randolph (2), and Stoughton (2). Table 20 summarizes the distribution of the Bank's offices and ATMs by the census tract income level compared with the distribution of total census tracts in the assessment area by income level and the distribution of the assessment area population by census tract income level.

Table 20						
Distribution of Branches and ATMs						
Massachusetts Assessment Area						
Census Tract Income	% of Tracts	% of Population	Branches		ATMs	
			#	%	#	%
Low	1.7	1.0	0	0.0	0	0.0
Moderate	3.3	3.4	0	0.0	0	0.0
Middle	66.7	67.5	5	100.0	6	100.0
Upper	28.3	28.1	0	0.0	0	0.0
Total	100.0	100.0	5	100.0	6	100.0

Source: Internal Bank Records

As the data in Table 20 shows, all of the Bank's branch offices are located in middle-income census tracts. It should be noted that a majority of the low- and moderate-income census tracts were added to the Bank's assessment area during the assessment area.

In addition to having ATMs at each branch office and one at the Bank's lending center, ATMs are located at seven remote locations in Massachusetts. These ATMs are available for cash withdrawals only. They are located: Stoughton Town Spa, Bob's Food Mart, Stoughton Mobil, IKEA Furniture Store, Page's Foodmart all in Stoughton; Springdale Variety in Canton; and The Country Store in Foxboro.

Services Distribution

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

STATE RATING – RHODE ISLAND

CRA RATING FOR Rhode Island: *Satisfactory*
The Lending Test is rated: *Satisfactory*
The Community Development Test is rated: *Satisfactory*

SCOPE OF EXAMINATION

A full-scope review of CRA activities in Rhode Island was conducted. The Lending Test focused on HMDA-reportable loans originated in 2009 and 2010. With respect to the Community Development Test, the data analyzed and considered is from the previous CRA evaluation dated July 17, 2007 through July 18, 2011.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RHODE ISLAND

The Rhode Island Assessment Area is located in central Rhode Island and is comprised of thirteen contiguous municipalities: Coventry, Cranston, East Greenwich, Exeter, Jamestown, Middletown, Newport, North Kingstown, Portsmouth, Providence, Warwick, West Greenwich, and West Warwick. The Rhode Island Assessment Area was established in 2005 and is located approximately 40 miles south of the Massachusetts Assessment Area in the Providence-New Bedford-Fall River, RI-MA MSA. The following table details the demographic profile of the Rhode Island Assessment Area.

Table 21 Demographic Information for Rhode Island Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	117	16.2	13.7	44.4	25.7
Population by Geography	518,928	15.0	15.4	42.5	27.1
Owner-Occupied Housing by Geography	115,403	5.9	9.8	50.9	33.4
Family Distribution by Income Level	127,507	23.3	17.1	21.1	38.5
Distribution of Low- and Moderate-Income Families throughout AA Geographies	51,448	25.1	21.5	40.2	13.2
Median Family Income (MFI)		53,013	Median Housing Value		133,471
Households Below Poverty Level		14.0%	Unemployed		3.0%

Source: U.S. Census Data

The assessment area consists of 117 census tracts: 19 low-, 16 moderate-, 52 middle-, and 30 upper-income, with a total population of 518,928. The Rhode Island Assessment Area contains 200,556 households, of which 14.1 percent are below the poverty level, compared to 12.4 percent statewide. The assessment area also includes 127,507 families and 214,271 housing units, of which 115,403 units (53.9 percent) were owner-occupied.

Please refer to the overall *Description of the Institution* and *Description of the Assessment Areas* for additional data regarding the institution and economic information specific to Rhode Island.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN *RHODE ISLAND*

LENDING TEST

Lending Inside Assessment Area

The Bank originated a majority (69.8 percent) of its loans inside the Rhode Island Assessment Area. The Bank originated 262 home mortgage loans in Rhode Island during the evaluation period, 183 of which were within the Rhode Island Assessment Area.

Table 22 Distribution of Loans Inside and Outside of the Rhode Island Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2009	58	70.7	24	29.3	82	11,264	73.9	3,981	26.1	15,245
2010	125	69.4	55	30.6	180	26,898	68.5	12,351	31.5	39,249
Total RI	183	69.8	79	30.2	262	38,162	61.1	16,332	30.0	54,494

Source: 2009 and 2010 Bank HMDA LARs

Lending to Borrowers of Different Incomes

The Bank's lending to borrowers of different incomes is considered adequate within the Rhode Island Assessment Area. Table 23 reflects the Bank's 2009 and 2010 lending to low-, moderate-, middle-, and upper-income borrowers compared with the aggregate lender and demographic data.

Table 23 Distribution of Loans by Income Category of the Borrower Rhode Island Assessment Area						
Borrower Income Level	% of Total Families	2009 Aggregate Lending Data	2009 Bank Data		2010 Bank Data	
		% of #	#	%	#	%
Low	23.3	7.3	4	6.9	12	9.6
Moderate	17.1	19.4	9	15.6	17	13.6
Middle	21.1	24.8	14	24.1	26	20.8
Upper	38.5	41.8	30	51.7	58	46.4
NA	--	6.7	1	1.7	12	9.6
Total	100.0	100.0	58	100.0	125	100.0

Source: 2000 U.S. Census, 2009 and 2010 HMDA LARs, 2009 HMDA Aggregate Data

In 2009, the Bank originated 6.9 percent of its Rhode Island loans were extended to low-income borrowers. This level of lending is slightly below the aggregate lending level to low-income borrowers (at 7.3 percent) and significantly below the percentage of low-income families (at 23.3 percent). Additionally, the Bank's lending to moderate-income borrowers (at 15.6) is below the aggregate lending level to moderate-income borrowers (at 19.4 percent) and is slightly lower than the percentage of moderate-income families (at 17.1 percent) within the assessment area. During 2010, the Bank extended a larger percentage (9.6 percent) to low-income borrowers and (13.6 percent) to moderate-income borrowers.

Geographic Distribution

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment areas' census tracts. The geographic distribution of loans reflects poor dispersion in the Rhode Island Assessment Area. Table 24 reflects the percentage of the Bank's 2009 and 2010 home mortgage loans in low-, moderate-, middle-, and upper-income census tracts in the Rhode Island Assessment Area compared with 2009 aggregate lending data and demographic data.

Table 24 Distribution of Loans by Income Category of the Census Tract Rhode Island Assessment Area						
Census Tract Income Level	% of Total Owner Occupied Housing Units	2009 Aggregate Lending Data	2009 Bank Data		2010 Bank Data	
		% of #	#	%	#	%
Low	5.9	2.6	1	1.7	11	8.8
Moderate	9.8	4.8	0	0.0	3	2.4
Middle	50.9	51.5	26	44.8	58	46.4
Upper	33.4	41.1	31	53.5	53	42.4
Total	100.0	100.0	58	100.0	125	100.0

Source: 2000 U.S. Census, 2009 and 2010 HMDA LARs, 2009 HMDA Aggregate Data

During 2009, the Bank originated one loan in the low-income census tracts and 0 loans in the moderate-income categories. In 2010, the bank originated 11 loans in the low-income census tracts and 3 loans in the moderate-income census tracts, which reflects a positive trend in the Bank's low- and moderate-income census tract lending performance.

COMMUNITY DEVELOPMENT TEST

The Bank's investment and community development activity in this portion of its assessment area is similar to its performance in the entire assessment area. The Bank's qualified investments and qualified community development services benefit organizations and projects throughout the assessment area in Rhode Island.

Community Development Loans

During the evaluation period, the Bank did not extend any qualified community development loans in the Rhode Island Assessment Area.

Community Development Investments

During the evaluation period, the Bank and the Foundation made \$43,640 in qualified grants and donations within its Rhode Island Assessment Area. Refer to Table 25 for a listing of the grants and donations by community development category and year.

Table 25 Qualified Community Development Grants and Donations Rhode Island Assessment Area												
Community Development Category*	2007**		2008		2009		2010		2011***		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing for Low- and Moderate-Income Individuals	0	-	0	-	0	19,600	-	0	-	0	-	0
Community Services Targeted to Low- and Moderate-Income Individuals	3	10,000	6	7,150	13	11,535	14	11,000	7	3,500	43	43,185
Revitalize or Stabilize Low- and Moderate-Income Geographies	2	455	0	0	0	0	0	0	0	0	2	455
Activities that Promote Economic Development	0	-	0	-	0	19,600	-	0	-	0	-	0
Total	5	10,455	6	7,150	13	11,535	14	11,000	7	3,500	45	43,640

Source: Internal Bank Records; *As defined by the CRA; **Extended since the date of the previous CRA evaluation; ***Extended through the date of the current CRA evaluation.

The following are examples of organization that the Bank and the Foundation made qualified grants or donations to during the evaluation period:

North Kingstown Food Pantry – The food pantry’s mission is to increase access to food for hungry people. The food pantry serves 50 to 60 low-income families each week.

RISE – This organization recognizes the critical role of poverty and the effect it has on one’s personal mental health. RISE offers a variety of support services that include: independent living skills, affordable housing resources, family homelessness prevention and assistance services, emergency services, transitional assistance and crisis assistance. The majority of the clients are low- and moderate-income.

Community Development Services

Bank Employee Involvement, Educational Seminars, and Other Services

During the evaluation period, officers and employees of the Bank were involved in organizations within the Rhode Island Assessment Area. Bank officers provide financial expertise to organizations that addressed critical needs for the low- and moderate-income families in the assessment area.

Branch (including other facilities if applicable) and Services Distribution

Branch Distribution

The Bank operates two full-service branches in Rhode Island. The branches in Rhode Island are located in Coventry and Cranston. Table 26 summarizes the distribution of the Bank's offices and ATMs by the census tract income level compared with the distribution of total census tracts in the assessment area by income level and the distribution of the assessment area population by census tract income level.

Table 26						
Distribution of Branches and ATMs						
Rhode Island Assessment Area						
Census Tract Income	% of Tracts	% of Population	Branches		ATMs	
			#	%	#	%
Low	16.2	15.0	0	0.0	0	0.0
Moderate	13.8	15.4	0	0.0	0	0.0
Middle	44.4	42.5	2	100.0	2	100.0
Upper	25.6	27.1	0	0.0	0	0.0
Total	100.0	100.0	2	100.0	2	100.0

Source: Internal Bank Records

As the data in Table 26 shows, all of the Bank's branch offices are located in middle-income census tracts. It should be noted that a majority of the low- and moderate-income census tracts were added to the Bank's assessment area during the assessment area.

Services Distribution

A review of the Bank's services by branch location revealed no inconsistencies by location. Regardless of location, all of the bank's branches had relatively consistent branch hours, the same type and number of products and services offered, and ATM availability.

APPENDIX A

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 2.3-101.

The Bank proactively and affirmatively supports the fair lending process through fair, but flexible lending policies.

All employees are provided with training appropriate to their job description and responsibilities in fair lending issues.

The Bank makes exceptions to the loan policy. The Bank employs a second review process.

Based upon the review of the Bank's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified.

MINORITY APPLICATION FLOW

According to the 2000 U.S. Census Data, the Bank's assessment area contained a total population of 832,354 individuals of which 20.7 percent are minorities. The assessment areas minority and ethnic population is 5.4 percent Black/African American, 4.5 percent Asian, 0.3 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 8.1 percent Hispanic or Latino and 2.4 percent other.

For 2009 and 2010, the Bank received 662 HMDA reportable loan applications from within its assessment area. Of these applications, 56 or 8.5 percent were received from minority applicants, of which 41 or 73.2 percent resulted in originations. For the same time period, the Bank also received 18 applications from ethnic groups of Hispanic origin within its assessment area of which 14 or 77.8 percent were originated.

Table 21								
MINORITY APPLICATION FLOW								
RACE	Bank 2009		2009 Aggregate Data		Bank 2010		Bank TOTAL	
	#	%	#	%	#	%	#	%
American Indian/ Alaska Native	2	0.7	77	0.1	2	0.5	4	0.6
Asian	15	5.5	2,697	4.8	12	3.1	27	4.1
Black/ African American	7	2.5	1,717	3.1	16	4.1	23	3.4
Hawaiian/Pac Isl.	1	0.4	142	0.3	0	0.0	1	0.2
2 or more Minority	0	0.0	35	0.1	0	0.0	0	0.0
Joint Race (White/Minority)	0	0.0	452	0.8	1	0.3	1	0.2
Total Minority	25	9.1	5,120	9.2	31	8.0	56	8.5
White	240	87.3	38,866	69.3	346	89.4	586	88.5
Race Not Available	10	3.6	12,081	21.5	10	2.6	20	3.0
Total	275	100.0	56,067	100.0	387	100.0	662	100.0
ETHNICITY								
Hispanic or Latino	5	1.8	1,837	3.3	9	2.3	14	2.1
Not Hispanic or Latino	258	93.8	41,768	74.5	365	94.3	623	94.1
Joint (Hisp/Lat /Not Hisp/Lat)	3	1.1	384	0.7	1	0.3	4	0.6
Ethnicity Not Available	9	3.3	12,078	21.5	12	3.1	21	3.2
Total	275	100.0	56,067	100.0	387	100.0	662	100.0

Source: 2009 and 2010 HMDA/ LAR, 2009 HMDA Aggregate Data

The Bank's level of lending was compared with that of the aggregate's lending performance levels for the most recent year that data was available, the year 2009. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to the table below for information on the Bank's minority application flow as well as the aggregate lenders (excluding the Bank) in the Bank's assessment area.

The Bank's performance was consistent with the 2009 aggregate's performance level for minority applicants. The Bank received 9.1 percent of its applications from minorities while the aggregate was 9.2 percent. The Bank's performance was below the 2009 aggregates' performance for ethnic minorities. The Bank received 2.9 percent while the aggregate received 4.0 percent for ethnic minorities.

The Bank's minority application flow, when compared to the aggregate's lending performance levels and the assessment area demographics, is reasonable for the aggregate lending and the demographics of the assessment area.

APPENDIX B

SCOPE OF EXAMINATION:

Randolph Savings Bank	
SCOPE OF EXAMINATION: Intermediate Small Institution CRA evaluation: Lending Test and Community Development Test	
TIME PERIOD REVIEWED: HMDA Loans: 2009 and 2010 Community Development Activities: July 17, 2007 through July 18, 2011	
PRODUCTS REVIEWED: HMDA reportable loans	

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
NA	NA	NA

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
Massachusetts	CRA	NA	NA
Rhode Island	CRA	Coventry Branch	NA

APPENDIX C

SUMMARY OF STATE RATINGS - FDIC			
STATE NAME:	LENDING TEST RATING:	COMMUNITY DEVELOPMENT TEST RATING:	OVERALL STATE RATING:
Massachusetts	Satisfactory	Satisfactory	Satisfactory
Rhode Island	Satisfactory	Satisfactory	Satisfactory

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and by the Federal Deposit Insurance Corporation, at 10 Cabot Place, Stoughton, MA 02072."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.